



# GRANT

(cost reimbursement grant to a federal or Tennessee local or quasi-governmental entity)

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<b>Agency Tracking #</b>  34353-02710		<b>Edison ID</b>  			
<b>Grantee (legal entity name)</b>  SHELBY COUNTY GOVERNMENT, ON BEHALF OF THE MEMPHIS AND SHELBY COUNTY HEALTH DEPARTMENT		<b>Grantee Federal Employer Identification #</b>  <input checked="" type="checkbox"/> C- 62-6000841-47			
<b>Service</b> Commodity Supplemental Food Program (CSFP) Services					
<b>Grant Begin Date</b> October 1, 2009		<b>Grant End Date</b> September 30, 2010		<b>Subrecipient or Vendor</b> <input checked="" type="checkbox"/> Subrecipient <input type="checkbox"/> Vendor	
				<b>CFDA #(s)</b> 10.565	
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2010		\$342,800			\$342,800
2011		\$114,200			\$114,200
<b>TOTAL:</b>		\$457,000			\$457,000
— OCR Use —			<b>Agency Contact &amp; Telephone #</b> Crystal Allen – 615-741-9419		
			<b>Agency Budget Officer Approval</b> (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred)		
			<b>Speed Code</b> HL00008160		<b>Account Code</b> 71301000

**GRANT CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF HEALTH  
AND  
SHELBY COUNTY GOVERNMENT,  
ON BEHALF OF THE MEMPHIS AND SHELBY COUNTY HEALTH DEPARTMENT**

This Grant Contract, by and between the State of Tennessee, Department of Health, hereinafter referred to as the "State" and Shelby County Government, on behalf of the Memphis and Shelby County Health Department, hereinafter referred to as the "Grantee," is for the provision of Commodity Supplemental Food Program (CSFP) services, as further defined in the "SCOPE OF SERVICES."

Grantee Federal Employer Identification Number: 62-6000841

**A. SCOPE OF SERVICES:**

- A.1. The Grantee shall provide all service and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Grant Contract.
- A.2. The Grantee shall provide the following Commodity Supplemental Food Program (CSFP) Services:
- a. Determine CSFP eligibility, which is performed by the competent professional authority on the staff of the local health department or agency, as identified in Federal Regulations 7 CFR Part 247.8 and 247.9;
  - b. Refer participants for other appropriate health services, based on individual need, which may be available at the same clinic or through other health care providers;
  - c. Provide nutrition education services according to the Supplemental Nutrition Program's State Plan of Operation and in accordance with Federal Regulation 7 CFR Part 247.18;
  - d. Report on a timely basis all required fiscal and program information required by the Federal Regulations 7 CFR Part 247.29;
  - e. Maintain complete, accurate, documented and current accounting of all CSFP program funds received and expended, in accordance with Federal Regulations 7 CFR Part 247.9 and 247.27;
  - f. Maintain files for review, audit and evaluation of all criteria used for certification, including information on the area, level served and income standards according to the Supplemental Nutrition Program's State Plan of Operation and in accordance with Federal Regulations 7 CFR Part 247.9 and 247.29;
  - g. Administer the program in order to comply with all fiscal and operational requirements pursuant to the United States Department of Agriculture Food and Nutrition Services (FNS) guidelines and instructions and in accordance with Federal Regulations 7 CFR 247.22, 247.23, 247.25, 247.27, 247.28, 247.29, and comply with all physical and excessive inventory requirements as noted in 7 CFR 250.14;
  - h. Assure that all inventory requirements are met according to 7 CFR 250.12 (d) (3);
  - i. Coordinate outreach to inform eligible persons of the availability of CSFP benefits;
  - j. Reimburse the State for any losses of supplemental food due to improper distribution or negligence during the issuance process, in accordance with 7 CFR part 247.30;
  - k. Direct a portion of the grant funds in a manner consistent with the State Plan of Operation for nutrition education or any local plan approved in accordance with the State Plan of

Operation. Said Plan is made a part of this Grant and is incorporated by reference as fully as if reproduced herein verbatim and a copy of which has been provided to the Grantee;

- l. Ensure that program integrity is maintained by distributing foods properly to prevent any loss of or damage to foods caused by fault or negligence. If any loss occurs, the State will take action to obtain restitution in connection with claims for improper distribution, use or loss of, or damage to foods. Standards for storage according to 7 CFR 250.14(b) must be followed and insurance coverage must be carried in an amount to cover the maximum level of food items being stored in accordance with 7 CFR 250.14(d);
  - m. Take corrective action for deficiencies noted during monitoring visits and review of program operations. Corrective action required to assure compliance with program criteria taken by State and/or local program officials;
  - n. Distribute supplemental food in accordance with the Federal Regulations, 7 CFR Part 250 and FNS food package distribution rates, to a caseload as specified in writing by the State and submit food distribution reports on the monthly FNS-153 Report of the Commodity Supplemental Food Program;
  - o. Submit information monthly on enrollment and participation of persons receiving supplemental foods on the monthly FNS-153 report;
  - p. Use the dual participation reports, produced by the State, to investigate possible cases of dual participation. Return the dual participation reports to the state office on a timely basis with documentation of actions taken regarding possible dual participation, in accordance with 7 CFR Part 247.19;
  - q. Maintain records of personnel time spent on program activities or equivalent records in compliance with OMB Circular A-87 and in accordance with the Tennessee Supplemental Food Program's State Plan of Operation, to support equitable distribution of time and effort;
  - r. Maintain personnel files to assure the Nutritionists, employed or funded by this grant meet the minimum requirements of the most current version of the State's personnel job specifications for Nutrition Educator and Nutritionist 1, 2, and 3, incorporated herein by reference; and
  - s. Inform the State Program Office of all personnel transactions involving positions funded by this Grant Contract.
  - t. Retain all records for a minimum of three years from the end of the Federal fiscal year in which they pertain or ongoing audits/reviews have been resolved according to the requirements of 7 CFR.29 (a).
- A.3. Incorporation of Additional Documents. In the event of a discrepancy or ambiguity regarding the Grantee's duties, responsibilities, and performance under this Grant Contract, the following documents, incorporated by reference or attachment, shall govern in order of precedence as detailed below.
- a. this Grant Contract and all of its attachments and exhibits, excluding the documents listed at b. below;
  - b. The United States Department of Agriculture (USDA), Food & Nutrition Service (FNS) Federal Regulation 7 CFR part 247, Supplemental Nutrition Program's State Plan of Operation and other memoranda as issued by the state administrative staff;

**B. GRANT CONTRACT TERM:**

This Grant Contract shall be effective for the period commencing on October 1, 2009 and ending on September 30, 2010. The State shall have no obligation for services rendered by the Grantee which are not performed within the specified period.

**C. PAYMENT TERMS AND CONDITIONS:**

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Four Hundred Fifty Seven Thousand Dollars (\$457,000). The Grant Budget, attached and incorporated herein as a part of this Grant Contract as Attachment 1, shall constitute the maximum amount due the Grantee for the service and all of the Grantee's obligations hereunder. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.
- C.2. Compensation Firm. The maximum liability of the State is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the duration of the Grant Contract and are not subject to escalation for any reason unless amended, except as provided in Section C.6.
- C.3. Payment Methodology. The Grantee shall be compensated for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the maximum liability established in Section C.1. Upon progress toward the completion of the work, as described in Section A of this Grant Contract, the Grantee shall submit invoices (Attachment 2) prior to any reimbursement of allowable costs.
- C.4. Travel Compensation. Reimbursement to the Grantee for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.
- C.5. Invoice Requirements. The Grantee shall invoice the State no more often than monthly, with all necessary supporting documentation, to:

Rashika Alwis, Accountant  
Nutrition and Wellness  
Department of Health  
Cordell Hull Building, 5<sup>th</sup> Floor  
425 Fifth Avenue, North  
Nashville, Tennessee 37243

- a. Each invoice shall clearly and accurately (all calculations must be extended and totaled correctly) detail the following required information.
- (1) Invoice/Reference Number (assigned by the Grantee);
  - (2) Invoice Date;
  - (3) Invoice Period (period to which the reimbursement request is applicable);
  - (4) Grant Contract Number (assigned by the State to this Grant Contract);
  - (5) Account Name: Department of Health, Nutrition & Wellness;
  - (6) Account/Grantor Number (uniquely assigned by the Grantee to the above-referenced Account Name);
  - (7) Grantee Name;
  - (8) Grantee Federal Employer Identification Number or Social Security Number (as referenced in this Grant Contract);
  - (9) Grantee Remittance Address;
  - (10) Grantee Contact (name, phone, and/or fax for the individual to contact with invoice questions);
  - (11) Complete Itemization of Reimbursement Requested for the Invoice Period, which shall detail, at minimum, the following:

- i. Reimbursement Amount Requested by Grant Budget Line-Item for the invoice period (including any travel expenditure reimbursement requested in accordance with and attaching to the invoice appropriate documentation and receipts as required by the above-referenced "State Comprehensive Travel Regulations");
    - ii. Amount Reimbursed by Grant Budget Line-Item to Date;
    - iii. Total Amount Reimbursed under the Grant Contract to Date; and
    - iv. Total Reimbursement Amount Requested (all line-items) for the invoice period.
  - b. The Grantee understands and agrees that an invoice to the State under this Grant Contract shall:
    - (1) include only reimbursement requests for actual, reasonable, and necessary expenditures required in the delivery of service described in Grant Contract Section A subject to the Grant Budget and any other provision of this Grant Contract relating to allowable reimbursements; and
    - (2) not include any reimbursement requests for future expenditures.
  - c. The Grantee agrees that timeframe for reimbursement begins when the State is in receipt of each invoice meeting the minimum requirements above.
  - d. The Grantee shall complete and sign a "Substitute W-9 Form" provided to the Grantee by the State. The taxpayer identification number contained in the Substitute W-9 submitted to the State shall agree to the Federal Employer Identification Number or Social Security Number referenced in this Grant Contract for the Grantee. The Grantee shall not invoice the State under this Grant Contract until the State has received this completed form.
  - e. The Grantee shall submit invoices within forty five (45) days after the end of the calendar month in which the subject costs were incurred or services were rendered by the Grantee. Invoices submitted more than forty five (45) days after such date will NOT be paid. The State will not deem such Grantee costs to be allowable and reimbursable by the State unless, at the sole discretion of the State, the failure to submit a timely invoice is warranted. The Grantee shall submit a special, written request for reimbursement with any such untimely invoice. The request must detail the reason the invoice is untimely as well as the Grantee's plan for submitting future invoices as required, and it must be signed by a Grantee agent that would be authorized to sign this Grant Contract.
- C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may vary from a Grant Budget line-item amount by up to twenty percent (20%) of the line-item amount, provided that any increase is off-set by an equal reduction of other line-item amount(s) such that the net result of variances shall not increase the total Grant Contract amount detailed by the Grant Budget. Any increase in the Grant Budget, grand total amounts shall require an amendment of this Grant Contract.
- C.7. Disbursement Reconciliation and Close Out. The Grantee shall submit a grant disbursement reconciliation report within sixty (60) days following the end of each quarter and a final invoice and a final grant disbursement reconciliation report within ninety (90) of the Grant Contract end date and in form and substance acceptable to the State (Attachment 3).
- a. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by the Section C, Payment Terms and Conditions of this Grant Contract, the Grantee shall refund the difference to the State. The Grantee shall submit said refund with the final grant disbursement reconciliation report.
  - b. The State shall not be responsible for the payment of any invoice submitted to the state after the final invoice and grant disbursement reconciliation report. The State will not deem any Grantee costs submitted for reimbursement after the final invoice to be allowable and reimbursable by the State, and such invoices will NOT be paid.

- c. The Grantee's failure to provide a final grant disbursement reconciliation report to the state as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the state pursuant to this Grant Contract.
  - d. The Grantee must close out its accounting records at the end of the grant period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.
- C.8. Indirect Cost. Should the Grantee request reimbursement for indirect cost, the Grantee must submit to the State a copy of the indirect cost rate approved by the cognizant federal agency and the State. The Grantee will be reimbursed for indirect cost in accordance with the approved indirect cost rate to amounts and limitations specified in the attached Grant Budget. Once the Grantee makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the grant period. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency and the State. If the indirect cost rate is provisional during the term of this agreement, once the rate becomes final, the Grantee agrees to remit any overpayment of funds to the State, and subject to the availability of funds the State agrees to remit any underpayment to the Grantee.
- C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of Department of Finance and Administration Policy Statement 03 or any amendments or revisions made to this policy statement during the Grant Contract period.
- C.10. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs invoiced therein.
- C.11. Unallowable Costs. The Grantee's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, not to constitute allowable costs.
- C.12. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Grantee under this or any Contract between the Grantee and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Grantee.
- C.13. Automatic Deposits. The Grantee shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Grantee by the State. Once this form has been completed and submitted to the State by the Grantee all payments to the Grantee, under this or any other contract the Grantee has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Grantee shall not invoice the State for services until the Grantee has completed this form and submitted it to the State.
- D. STANDARD TERMS AND CONDITIONS:**
- D.1. Required Approvals. The State is not bound by this Grant Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Grant Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Grantee at least thirty (30) days written notice before the effective termination date. The

Grantee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for compensation for any service which has not been rendered. The final decision as to the amount, for which the State is liable, shall be determined by the State. Should the State exercise this provision, the Grantee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under this Grant Contract in a timely or proper manner, or if the Grantee violates any terms of this Grant Contract, the State shall have the right to immediately terminate the Grant Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Grant Contract by the Grantee.
- D.5. Subcontracting. The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Grant Contract below pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Grantee in connection with any work contemplated or performed relative to this Grant Contract.
- D.7. Lobbying. The Grantee certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
  - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Grantee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
  - c. The Grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code.

- D.8. Nondiscrimination. The Grantee hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Grantee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- D.9. Public Accountability. If the Grantee is subject to *Tennessee Code Annotated*, Title 8, Chapter 4, Part 4 or if this Grant Contract involves the provision of services to citizens by the Grantee on behalf of the State, the Grantee agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Grantee shall display in a prominent place, located near the passageway through which the public enters in order to receive Grant supported services, a sign at least twelve inches (12") in height and eighteen inches (18") in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454

- D.10. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Grantee shall include the statement, "This project is funded under an agreement with the Tennessee Department of Health." Any such notices by the Grantee shall be approved by the State.
- D.11. Licensure. The Grantee and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.
- D.12. Records. The Grantee (and any approved subcontractor) shall maintain documentation for all charges under this Contract. The books, records, and documents of the Grantee (and any approved subcontractor), insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the state agency, the Comptroller of the Treasury, or their duly appointed representatives. The records of not-for-profit entities shall be maintained in accordance with the *Accounting Manual for the Recipients of Grant Funds in the State of Tennessee*, published by the Tennessee Comptroller of the Treasury (available at <http://comptroller.state.tn.us/ma/nonprofit/nonprofit1.pdf>). The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.13. Prevailing Wage Rates. All grants and contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*
- D.14. Monitoring. The Grantee's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.15. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the State as requested.
- D.16. Annual Report and Audit. The Grantee shall prepare and submit, within nine (9) months after the close of the reporting period, an annual report of its activities funded under this Grant Contract to the commissioner or head of the Granting agency, the Tennessee Comptroller of the Treasury, and the Commissioner of Finance and Administration. The annual report for any Grantee that receives five hundred thousand dollars (\$500,000) or more in aggregate federal and state funding for all its programs shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Grantee may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Grantee and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Grant Funds* published by the Tennessee Comptroller of



the Treasury. The Grantee shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Grantee shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Granting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.

- D.17. Procurement. If the other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or contracted services, such procurement shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method was not practical, said documentation shall include a written justification for such decision and non-competitive procurement. Further, if such reimbursement is to be made with funds derived wholly or partially from federal sources, the determination of cost shall be governed by and reimbursement shall be subject to the Grantee's compliance with applicable federal procurement requirements.

The Grantee shall obtain prior approval from the State before purchasing any equipment under this Grant Contract.

- D.18. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.19. Independent Contractor. The parties hereto, in the performance of this Grant Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Grantee, being a political subdivision of the State, is governed by the provisions of the Tennessee Government Tort Liability Act, *Tennessee Code Annotated*, Sections 29-20-101 *et seq.*, for causes of action sounding in tort. Further, no contract provision requiring a Tennessee political entity to indemnify or hold harmless the State beyond the liability imposed by law is enforceable because it appropriates public money and nullifies governmental immunity without the authorization of the General Assembly.

- D.20. State Liability. The State shall have no liability except as specifically provided in this Grant Contract.
- D.21. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.22. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract.
- D.23. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Grantee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Grantee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising there from, shall be subject to

and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.

- D.24. **Completeness.** This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.25. **Severability.** If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.
- D.26. **Headings.** Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

**E. SPECIAL TERMS AND CONDITIONS:**

- E.1. **Conflicting Terms and Conditions.** Should any of these special terms and conditions conflict with any other terms and conditions of this Grant Contract, these special terms and conditions shall control.
- E.2. **Communications and Contacts.** All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

**The State:**

Rashika Alwis, Accountant  
Nutrition and Wellness  
Department of Health  
Cordell Hull Building, 5<sup>th</sup> Floor  
425 Fifth Avenue, North  
Nashville, Tennessee 37243  
Email Address: Rashika.Alwis@tn.gov  
Telephone # 615-253-6066  
FAX # 615-532-7189

**The Grantee:**

Yvonne S. Madlock, Director  
Shelby County Government,  
on behalf of the Memphis and Shelby County Health Department  
814 Jefferson Avenue  
Memphis, Tennessee 38105-5099  
Email Address: YMADLOCK@co.shelby.tn.us  
Telephone # 901-544-7583  
FAX # 901-544-7475

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. **Subject to Funds Availability.** The Grant Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise

unavailable, the State reserves the right to terminate the Grant Contract upon written notice to the Grantee. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Grantee shall cease all work associated with the Grant Contract. Should such an event occur, the Grantee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Grantee shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- E.4. Voluntary Buyout Program. The Grantee acknowledges and understands that, for a period of two years beginning August 16, 2008, restrictions are imposed on former state employees who received a State of Tennessee Voluntary Buyout Program (VBP) severance payment with regard to contracts with state agencies that participated in the VBP.
- a. The State will not contract with either a former state employee who received a VBP severance payment or an entity in which a former state employee who received a VBP severance payment or the spouse of such an individual holds a controlling financial interest.
  - b. The State may contract with an entity with which a former state employee who received a VBP severance payment is an employee or an independent contractor. Notwithstanding the foregoing, the Grantee understands and agrees that there may be unique business circumstances under which a return to work by a former state employee who received a VBP severance payment as an employee or an independent contractor of a State grantee would not be appropriate, and in such cases the State may refuse Grantee personnel. Inasmuch, it shall be the responsibility of the State to review Grantee personnel to identify any such issues.
  - c. With reference to either subsection a. or b. above, a grantee may submit a written request for a waiver of the VBP restrictions regarding a former state employee and a contract with a state agency that participated in the VBP. Any such request must be submitted to the State in the form of the *VBP Contracting Restriction Waiver Request* format available from the State and the Internet at: [www.state.tn.us/finance/rds/ocr/waiver.html](http://www.state.tn.us/finance/rds/ocr/waiver.html). The determination on such a request shall be at the sole discretion of the head of the state agency that is a Party to this Grant Contract, the Commissioner of Finance and Administration, and the Commissioner of Human Resources.
- E. 5. Charges to Service Recipients Prohibited. The Grantee shall not collect any amount in the form of fees or reimbursements from the recipients of any service provided pursuant to this Grant Contract.
- E. 6. State Interest in Equipment. The Grantee shall take legal title to all equipment and to all motor vehicles, hereinafter referred to as "equipment," purchased totally or in part with funds provided under this Grant Contract, subject to the State's equitable interest therein, to the extent of its *pro rata* share, based upon the State's contribution to the purchase price. "Equipment" shall be defined as an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000.00.

As authorized by the provisions of the terms of the Tennessee Uniform Commercial Code — Secured Transaction, found at Title 47, Chapter 9 of the *Tennessee Code Annotated*, and the provisions of the Tennessee Motor Vehicle Title and Registration Law, found at Title 55, Chapter 1 of the *Tennessee Code Annotated*, an intent of this Grant document and the parties hereto is to create and acknowledge a security interest in favor of the State in the equipment and/or motor vehicles acquired by the Grantee pursuant to the provisions of this Grant document. A further intent of this Grant document is to acknowledge and continue the security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this program's prior year Grants between the State and the Grantee.

The Grantee hereto grants the State a security interest in said equipment. This agreement is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment herein specified which, under applicable law, may be subject to a security interest

pursuant to the Uniform Commercial Code, and the Grantee hereby grants the State a security interest in said equipment. The Grantee agrees that the State may file this Grant Contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Grantee agrees to execute and deliver to the State, upon the State's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant Contract in such form as the State may require to perfect a security interest with respect to said equipment. The Grantee shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the State may reasonably require. Without the prior written consent of the State, the Grantee shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment, including replacements and additions thereto. Upon the Grantee's breach of any covenant or agreement contained in this Grant Contract, including the covenants to pay when due all sums secured by this Grant Contract, the State shall have the remedies of a secured party under the Uniform Commercial Code and, at the State's option, may also invoke the remedies herein provided.

The Grantee agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant Contract. The Grantee shall maintain a perpetual inventory system for all equipment purchased with funds provided under this Grant Contract and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment;
- b. Manufacturer's serial number or other identification number, when applicable;
- c. Consecutive inventory equipment tag identification;
- d. Acquisition date, cost, and check number;
- e. Fund source, State grant number, or other applicable fund source identification;
- f. Percentage of state funds applied to the purchase;
- g. Location within the Grantee's operations where the equipment is used;
- h. Condition of the property or disposition date if Grantee no longer has possession;
- i. Depreciation method, if applicable; and
- j. Monthly depreciation amount, if applicable.

The Grantee shall tag equipment with an identification number which is cross referenced to the equipment item on the inventory control report. The Grantee shall inventory equipment annually. The Grantee must compare the results of the inventory with the inventory control report and investigate any differences. The Grantee must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.

The Grantee shall submit its inventory control report of all equipment purchased with funding through this grant within Thirty (30) days of the Grant Contract end date and in form and substance acceptable to the State. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Grantee shall notify the State, in writing, of any equipment loss describing reason(s) for the loss. Should the equipment be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the *pro rata* amount of the residual value at the time of loss based upon the State's original contribution to the purchase price.

Upon termination of the Grant Contract, where a further contractual relationship is not entered into, or at another time during the term of the Grant Contract, the Grantee shall request written approval from the State for any proposed disposition of equipment purchased with Grant funds. All equipment shall be disposed of in such a manner as parties may agree from among alternatives approved by Tennessee Department of General Services as appropriate and in accordance with any applicable federal laws or regulations.

- E.7. Confidentiality of Records. The Grantee agrees that strict standards of confidentiality of records shall be maintained in accordance with state and federal law and regulations (Reference TCA Section 71-1-131, Section 71-3-119 and all other applicable State and Federal law and regulations). All material and information provided to the Grantee by the State or acquired by the

Grantee on behalf of the State whether verbal, written, magnetic tape, cards or otherwise shall be regarded as confidential information in accordance with the provisions of state law and ethical standards and shall not be disclosed, except as otherwise permitted by law, regulation or court order, and all necessary steps shall be taken by the Grantee to safeguard the confidentiality of such material or information in conformance with federal and state law and ethical standards.

The Grantee further agrees that any information provided by the State relative to applicants or recipients of public assistance is to be used only for the administration of this Grant Contract or in any investigation, prosecution, or criminal or civil proceeding, conducted pursuant to this Grant Contract. The Grantee agrees to provide safeguards to restrict the use or disclosure of any information concerning such applicants or recipients to purposes stated in this section. The safeguards so provided shall also prohibit disclosure to any committee or legislative body, of any information which identifies by name or address any such applicant or recipient. The Grantee agrees that any federal or state tax related information will be treated as confidential, and will be used solely for purposes of administering the CSFP Program, unless otherwise required by law. Safeguards for tax-related information will be provided in accordance with Internal Revenue Code (IRC), Section 6103(p)(4) and Section 7213A as outlined in IRS Publication 1075. The Grantee agrees to inform each officer or employee of the penalties for unauthorized disclosure of federal tax information prescribed by IRC, Sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1. Additionally, the Grantee is to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. The Grantee further agrees that all personnel authorized to handle such tax related information will sign, annually, an IRS Confidentiality Form, to be provided by the State, with the original signed forms to be maintained by the Grantee along with a current list of employees. These IRS Confidentiality Forms and the list of employees shall be made available to the State and the IRS upon request.

It shall be the Grantee's responsibility to ensure that any destruction of confidential information, as described in this section, will be accomplished in a manner consistent with state policy and federal regulations pertaining to the destruction of private or confidential data.

The Grantee's obligations under this section do not apply to information; in the public domain; entering the public domain but not from a breach by the Grantee of this Grant Contract; previously possessed by the Grantee without written obligations to the State to protect it; acquired by the Grantee without written restrictions against disclosure from a third party which, to the Grantee's knowledge, is free to disclose the information; independently developed by the Grantee without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Grant Contract.

E.8. HIPAA Compliance. The State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.

- a. The Grantee warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this contract.
- b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the grant so that both parties will be in compliance with HIPAA.
- c. The State and the Grantee will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and the Grantee in compliance with HIPAA. This provision shall not apply if information received by the State under this grant is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.

E.9. Printing Authorization. The Grantee agrees that no publication coming within the jurisdiction of *Tennessee Code Annotated*, Section 12-7-101, et seq., shall be printed unless a printing

authorization number has been obtained and affixed as required by *Tennessee Code Annotated*, Section 12-7-103 (d).

- E.10. Work Papers Subject to Review. The Grantee shall make all audit, accounting, or financial analysis work papers, notes, and other documents available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Grant Contract.
- E.11. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Grantee shall prohibit smoking of tobacco products within any indoor premises in which services are provided to individuals under the age of eighteen (18) years. The Grantee shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Grant Contract.
- E.12. Debarment and Suspension. The Grantee certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
  - have not within a three (3) year period preceding this Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
  - are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
  - have not within a three (3) year period preceding this Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.
- The Grantee shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.
- E.13. Health Care Data . If applicable the Grantee agrees to provide data about health care services provided under this Grant using the Department of Health's patient Tracking and Billing Management Information System (or its successor). Data regarding services provided will be coded and entered into the Patient Tracking and Billing Management Information System (PTBMIS). According to the most current version of the PTBMIS codes Manual and submitted weekly to the Department of Health via the "Central Office Database Report (CODB Report)". The Grantee further agrees to submit reports, as requested by the State or required by this Grant, using the "Cube Report" format provided by the Department of Health.
- E.14. CFDA Number(s) . When applicable, the Grantee shall inform its licensed independent public accountant of the federal regulations that are to be complied with in performance of an audit. This information shall consist of the following Catalog of Federal Domestic Assistance Numbers and Grant Names:

10.565 – Commodity Supplemental Food Program (CSFP)

**IN WITNESS WHEREOF:**

**SHELBY COUNTY GOVERNMENT, ON BEHALF OF THE MEMPHIS AND SHELBY COUNTY  
HEALTH DEPARTMENT**

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**GRANTEE SIGNATURE**

**YVONNE S. MADLOCK, DIRECTOR**

---

**PRINTED NAME AND TITLE OF AUTHORIZED GRANTEE SIGNATORY (above)**

**SHELBY COUNTY GOVERNMENT:**

---

**GRANTEE SIGNATURE**

**A C WHARTON, JR., MAYOR**

---

**PRINTED NAME AND TITLE OF AUTHORIZED GRANTEE SIGNATORY (above)**

**APPROVED AS TO FORM:**

---

**ASSISTANT COUNTY ATTORNEY/CONTRACT ADMINISTRATOR**

---

**PRINTED NAME AND TITLE OF AUTHORIZED GRANTEE SIGNATORY (above)**

**DEPARTMENT OF HEALTH:**

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**SUSAN R. COOPER, MSN, RN, COMMISSIONER**

**DATE**

## ATTACHMENT 1

## GRANT BUDGET

(BUDGET PAGE 1)

SHELBY COUNTY GOVERNMENT, ON BEHALF OF THE MEMPHIS AND SHELBY COUNTY HEALTH DEPARTMENT - COMMODITY SUPPLEMENTAL FOOD PROGRAM (CSFP)				
APPLICABLE PERIOD: The grant budget line-item amounts below shall be applicable only to expense incurred during the period beginning October 1, 2009, and ending September 30, 2010.				
POLICY 03 Object Line-Item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY <sup>1</sup> (detail schedule(s) attached as applicable)	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1	Salaries <sup>2</sup>	\$297,900.00	\$0.00	\$297,900.00
2	Benefits & Taxes (33.00%)	\$98,300.00	\$0.00	\$98,300.00
4, 15	Professional Fee/ Grant & Award <sup>2</sup>	\$0.00	\$0.00	\$0.00
5	Supplies	\$14,000.00	\$0.00	\$14,000.00
6	Telephone	\$5,500.00	\$0.00	\$5,500.00
7	Postage & Shipping	\$100.00	\$0.00	\$100.00
8	Occupancy	\$14,000.00	\$0.00	\$14,000.00
9	Equipment Rental & Maintenance	\$11,000.00	\$0.00	\$11,000.00
10	Printing & Publications	\$500.00	\$0.00	\$500.00
11, 12	Travel/ Conferences & Meetings <sup>2</sup>	\$5,000.00	\$0.00	\$5,000.00
13	Interest <sup>2</sup>	\$0.00	\$0.00	\$0.00
14	Insurance	\$1,900.00	\$0.00	\$1,900.00
16	Specific Assistance To Individuals <sup>2</sup>	\$0.00	\$0.00	\$0.00
17	Depreciation <sup>2</sup>	\$0.00	\$0.00	\$0.00
18	Other Non-Personnel <sup>2</sup>	\$0.00	\$0.00	\$0.00
20	Capital Purchase <sup>2</sup>	\$8,800.00	\$0.00	\$8,800.00
22	Indirect Cost	\$0.00	\$0.00	\$0.00
24	In-Kind Expense	\$0.00	\$0.00	\$0.00
25	GRAND TOTAL	\$457,000.00	\$0.00	\$457,000.00

<sup>1</sup> Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the Internet at: [www.state.tn.us/finance/rds/ocr/policy03.pdf](http://www.state.tn.us/finance/rds/ocr/policy03.pdf)).

<sup>2</sup> Applicable detail attached if line-item is funded.



**ATTACHMENT 1 CONTINUED**  
**GRANT BUDGET LINE-ITEM DETAIL INFORMATION**  
**(Budget Page 2)**

<b>SALARIES</b>	<b>AMOUNT</b>
Cynthia Davis, Admin Tech, (\$2564.18 x 12 mos x 100%)	\$ 30,770.18
Annie McClatchey, Admin Tech, (\$2692.56 x 12 mos x 20%)	\$ 6,462.14
Laverrious Clark, CSA, (\$2234.24 x 12 mos x 100%)	\$ 26,810.88
Donna Neal, CSA, (\$2235.10 x 12 mos x 50%)	\$ 13,410.60
Vacant, MISC TEMP, (\$1171 x 12 mos x 100%)	\$ 14,052.00
Billy Cotton, Foreman, (\$2918.70 x 12 mos x 100%)	\$ 35,024.40
Jerry Blair, Warehouseman, (\$2356.34 x 12 mos x 100%)	\$ 28,276.08
Kenneth Cole, Warehouseman, (\$2500.02 x 12 mos x 100%)	\$ 30,000.24
Ronnie Watkins, Warehouseman, (\$2356.34 x 12 mos x 100%)	\$ 28,276.08
James Franklin, Warehouseman, (\$2325.62 x 12 mos x 100%)	\$ 27,907.44
Joe Taylor, Truck Driver, (\$2577.27 x 12 mos x 100%)	\$ 30,927.24
Barbara M. Smith, Clinical Services Coordinator, (\$4326.36 x 12 mos x 50%)	\$ 25,958.16
<b>TOTAL ROUNDED</b>	<b>\$ 297,900.00</b>

<b>TRAVEL/ CONFERENCES &amp; MEETINGS</b>	<b>AMOUNT</b>
<i>Local Fuel Charges</i>	\$5,000.00
<b>TOTAL</b>	<b>\$5,000.00</b>

<b>CAPITAL PURCHASE</b>	<b>AMOUNT</b>
<i>Forklift for the warehouse</i>	\$8,800.00
<b>TOTAL</b>	<b>\$8,800.00</b>

STATE OF TENNESSEE  
INVOICE FOR REIMBURSEMENT

NAME AND REMITTANCE ADDRESS OF CONTRACTOR/GRANTEE				INVOICE NUMBER		
				INVOICE DATE		
				INVOICE PERIOD		
				FROM TO		
FEDERAL ID#				CONTRACT PERIOD		
				FROM TO		
CONTRACTING STATE AGENCY Tennessee Department of Health				CONTACT PERSON/TELEPHONE NO.		
DIVISION NAME/PROGRAM AREA				ACCOUNT/GRANTOR NUMBER		
CONTRACT NUMBER						

  

BUDGET LINE ITEMS	(A) TOTAL CONTRACT BUDGET	(B) YTD ACTUAL REIMBURSED THROUGH (MO./DAY/YR.)	(C) MONTHLY EXPENDITURES DUE		GRANT SUBGRANT	ALLOTMENT CODE AND COST CENTER
Salaries						
Benefits						
Professional Fee/Grant & Award						
Supplies						
Telephone						
Postage & Shipping						
Occupancy						
Equipment Rental & Maintenance						
Printing & Publications						
Travel/Conferences & Meetings						
Interest						
Insurance						
Specific Assistance to Individuals						
Depreciation						
Other Non Personnel						
Capital Purchase						
Indirect Cost						
SUBTOTAL						
Revenue						
TOTAL						

I certify to the best of my knowledge and belief that the data above are correct and that all expenditures were made in accordance with the contract conditions and that payment is due and has not been previously requested.

Please check one of the following boxes  
These services are for ☐ medical services  
☐ non-medical services

RECOMMENDED FOR PAYMENT

CONTRACTOR/GRANTEE'S AUTHORIZED SIGNATURE

PROGRAM APPROVAL AUTHORIZED SIGNATURE

CONTRACTING STATE AGENCY'S AUTHORIZED CERTIFICATION  
FOR FISCAL USE ONLY

Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Title: \_\_\_\_\_  
Date: \_\_\_\_\_

ATTACHMENT: 2

## Instructions & Hints

### Do not send a worksheet that is linked to another file

Line by line Instructions are on the "line by line info" tab

Retain this file in blank form

Use "File Save As" to save information for a specific contract or reporting period

**File Names:** Please use the following format when naming files.

name of agency REPORTING PERIOD END.xls

do not abbreviate the agency name

example: davidson county health MARCH 02.xls

Reporting period - the start and end dates of the quarter being reported

Reporting periods are based on the Agency's fiscal year

Grant period - the start and end dates of the contract being reported

Send a report for every quarter even if there is no activity for that quarter

Abbreviations - do not abbreviate the Agency name

Number pages using the "page \_\_\_\_ of \_\_\_\_ pages" format

### THE WORKSHEET IS NOT PROTECTED

do not overwrite formulas (identified by yellow shading and "0" ) or change formats

do not overwrite/edit shaded areas (move to the cell beyond the shading for input)

do not add (insert) lines do not change shaded areas

Expense and Revenue pages can show information for 2 contracts

Use separate Schedules A & B to report contracts for each granting State agency

Use additional expense and revenue pages for more than 2 contracts

copy all lines & fields to the first blank line below the last line in column A

with the cursor at the start of the added page, use "insert" "page break" for print purposes

reset print range to cover the added page(s) and correct the page numbers

Contract Number is the State Contract Number, NOT the agency program number

Report by program within the State Contract Number within State Department

Summarize programs into totals by State Contract Number and State Department totals

Do not combine State Contract Numbers

One Funding Information Summary and one Schedule C are required from each contractor submitting reports

Review Section C in all contracts for reporting requirements

### ALLOCATION OF ADMINISTRATIVE COSTS

Requires completion of all attached sheets

**NOTE** If files are not properly named and print ranges not set, the report will be returned for correction

Do not send invoices with expense reports

If refund due, mail reports with check or send note with e-mail that check in the mail

e-mail completed files to: [Doug.Curry@state.tn.us](mailto:Doug.Curry@state.tn.us)

e-mail filing replaces mailing forms

Mailing Address:

Doug Curry

Tennessee Department of Health

Fiscal Services

10th Floor - Andrew Johnson Tower

710 James Robertson Parkway

Nashville, TN 37247-0310

Telephone 615-532-7115

FAX 615-741-9533

**PROGRAM EXPENSE REPORT (Excerpted from Policy 3 statement)**  
**SCHEDULE A**  
**EXPENSE BY OBJECT LINE-ITEMS**

There are seventeen specific object expense categories; two subtotals (Line 3, Total Personnel Expenses, and Line 19, Total Non-personnel Expenses); and Reimbursable Capital Purchases (Line 20), above Line 21, Total Direct Program Expenses. All expenses should be included in one or more of the specific categories, or in an additional expense category entered under Line 18, Other Non-personnel Expenses. The contracting state state agency may determine these requirements.

With the exception of depreciation, everything reported in Lines 1 through 21 must represent an actual cash disbursement or accrual as defined in the Basis For Reporting Expenses/Expenditures section on page 13.

**THE YEAR-TO-DATE EXPENSES MUST BE TRACABLE TO THE REPORTING AGENCY'S GENERAL LEDGER**

**Line 1 Salaries And Wages**

On this line, enter compensation, fees, salaries, and wages paid to officers, directors, trustees, and employees. An attached schedule may be required showing client wages or other included in the aggregations.

**Line 2 Employee Benefits & Payroll Taxes**

Enter (a) the organization's contributions to pension plans and to employee benefit programs such as health, life, and disability insurance; and (b) the organization's portion of payroll taxes such as social security and medicare taxes and unemployment and workers' compensation insurance. An attached schedule may be required showing client benefits and taxes or other included in the aggregations.

**Line 3 Total Personnel Expenses**

Add lines 1 and 2.

**Line 4 Professional Fees**

Enter the organization's fees to outside professionals, consultants, and personal-service contractors. Include legal, accounting, and auditing fees. An attached schedule may be required showing the details in the aggregation of professional fees.

**Line 5 Supplies**

Enter the organization's expenses for office supplies, housekeeping supplies, food and beverages, and other supplies. An attached schedule may be required showing food expenses or other details included in the aggregations.

**Line 6 Telephone**

Enter the organization's expenses for telephone, cellular phones, beepers, telegram, FAX, E-mail, telephone equipment maintenance, and other related expenses.

**Line 7 Postage And Shipping**

Enter the organization's expenses for postage, messenger services, overnight delivery, outside mailing service fees, freight and trucking, and maintenance of delivery and shipping vehicles. Include vehicle insurance here or on line 14.

**Line 8 Occupancy**

Enter the organization's expenses for use of office space and other facilities, heat, light, power, other utilities, outside janitorial services, mortgage interest, real estate taxes, and similar expenses. Include property insurance here or on line 14.

**Line 9 Equipment Rental And Maintenance**

Enter the organization's expenses for renting and maintaining computers, copiers, postage meters, other office equipment, and other equipment, except for telephone, truck, and automobile expenses, reportable on lines 6, 7, and 11, respectively.

**Line 10 Printing And Publications**

Enter the organization's expenses for producing printed materials, purchasing books and publications, and buying subscriptions to publications.

**Line 11 Travel**

Enter the organization's expenses for travel, including transportation, meals and lodging, and per diem payments. Include gas and oil, repairs, licenses and permits, and leasing costs for company vehicles. Include travel expenses for meetings and conferences. Include vehicle insurance here or on line 14.

**Line 12 Conferences And Meetings**

Enter the organization's expenses for conducting or attending meetings, conferences, and conventions. Include rental of facilities, speakers' fees and expenses, printed materials, and registration fees (but not travel).

**Line 13 Interest**

Enter the organization's interest expense for loans and capital leases on equipment, trucks and automobiles, and other notes and loans. Do not include mortgage interest reportable on line 8.

**Line 14 Insurance**

Enter the organization's expenses for liability insurance, fidelity bonds, and other insurance. Do not include employee-related insurance reportable on line 2. Do not include property and vehicle insurance if reported on lines 7, 8, or 11.

**Line 15 Grants And Awards**

Enter the organization's awards, grants, subsidies, and other pass-through expenditures to individuals and to other organizations. Include allocations to affiliated organizations. Include in-kind grants to individuals and organizations. Include scholarships, tuition payments, travel allowances, and equipment allowances to clients and individual beneficiaries. Pass-through funds are not included when computing administrative expenses reported on Line 22.

**Line 16 Specific Assistance to Individuals**

Enter the organization's direct payment of expenses of clients, patients, and individual beneficiaries. Include such expenses as medicines, medical and dental fees, children's board, food and homemaker services, clothing, transportation, insurance coverage, and wage supplements.

**Line 17 Depreciation**

Enter the expenses the organization records for depreciation of equipment, buildings, leasehold improvements, and other depreciable fixed assets.

**Line 18 Other Non-personnel Expenses**

NOTE: Expenses reportable on lines 1 through 17 should not be reported in an additional expense category on line 18. A description should be attached for each additional category entered on line 18. The contracting state agency may determine these requirements. Enter the organization's allowable expenses for advertising (1), bad debts (2), contingency provisions (7), fines and penalties (14), independent research and development (reserved) (17), organization (27), page charges in professional journals (29), rearrangement and alteration (39), recruiting (41), and taxes (47). Include the organization's and employees' membership dues in associations and professional societies (26). Include other fees for the organization's licenses, permits, registrations, etc.

**Line 19 Total Non-personnel Expenses**

Add lines 4 through 18.

**Line 20 Reimbursable Capital Purchases**

Enter the organization's purchases of fixed assets. Include land, equipment, buildings, leasehold improvements, and other fixed assets. An attached schedule may be required showing the details for each such purchase.

**Line 21 Total Direct Program Expenses**

Add lines 3, 19, and 20.

Includes direct and allocated direct program expenses.

**Line 22 Administrative Expenses**

The distribution will be made in accordance with an allocation plan approved by your cognizant state agency.

**Line 23 Total Direct And Administrative Expenses**

Line 23 is the total of Line 21, Total Direct Program Expenses, and Line 22, Administrative Expenses. Line 23, Total Direct and Administrative Expenses Year-to-Date should agree with the Total of Column B, Year-to-Date Actual Expenditures of the *Invoice for Reimbursement*.

**Line 24 In-Kind Expenses**

In-kind Expenses (Line 24) is for reporting the value of contributed resources applied to the program. Approval and reporting guidelines for in-kind contributions will be specified by those contracting state agencies who allow their use toward earning grant funds.

Carry forward to Schedule B, Line 38.

**Line 25 Total Expenses**

The sum of Line 23, Total Direct and Administrative Expenses, and Line 24, In-kind Expenses, goes on this line.

**PROGRAM REVENUE REPORT (PRR)****SCHEDULE B****SOURCES OF REVENUE**

The revenue page is intended to be an extension of the total expenses page, in that the columns should match up by contract/attachment number and program title. There are ten revenue sources (Schedule B, Part 1) and three subtotals (Lines 33, 41, and 43). Additional supplemental schedules for one or more of the line items may be attached, if needed. Each revenue column should be aligned with its corresponding expense column from Schedule A.

**Reimbursable Program Funds****Line 31 Reimbursable Federal Program Funds**

Enter the portion of Total Direct & Administrative Expenses reported on Line 23, Schedule A, that is reimbursable from federal program funds. The state funding agency may require an attached detail listing and reconciliation schedule.

**Line 32 Reimbursable State Program Funds**

Enter the portion of Total Direct & Administrative Expenses reported on Line 23, Schedule A, that is reimbursable from state program funds. The state funding agency may require an attached detail listing and reconciliation schedule.

**Line 33 Total Reimbursable Program Funds (Equals Schedule B, Line 55)**

Add lines 31 and 32.

**Matching Revenue Funds****Line 34 Other Federal Funds**

Enter the portion of matching revenues reported on Line 54, Subtract Matching Expenses (Equals Line 41), that is from other federal funds. The state funding agency may require an attached detail listing and reconciliation schedule.

**Line 35 Other State Funds**

Enter the portion of matching revenues reported on Line 54, Subtract Matching Expenses (Equals Line 41), that is from other state funds. The state funding agency may require an attached detail listing and reconciliation schedule.

**Line 36 Other Government Funds**

Enter the portion of matching revenues reported on Line 54, Subtract Matching Expenses (Equals Line 41), that is from other government funds. The state funding agency may have an attached detail listing and reconciliation schedule.

**Line 37 Cash Contributions (Non-government)**

Enter the portion of matching revenues reported on Line 54, Subtract Matching Expenses (Equals Line 41), that is from such sources of cash contributions as corporations, foundations, trusts, individuals, United Ways, other not-for-profit organizations, and from affiliated organizations. The state funding agency may require an attached detail listing and reconciliation schedule.

**Line 38 In-Kind Contributions (Equals Schedule A, Line 24)**

Enter the portion of matching revenues reported on Line 54, Subtract Matching Expenses (Equals Line 41), that is from direct and administrative in-kind contributions. The state funding agency may require an attached detail listing and reconciliation schedule.

Approval and guidelines for valuation and reporting of in-kind contributions will be specified by those grantor agencies who allow their use toward earning grant funds.

**Line 39 Program Income**

Enter the portion of matching revenues reported on Line 54, Subtract Matching Expenses (Equals Line 41), that is from program income related to the program funded by the state agency. The state funding agency may require an attached detail listing.

**Line 40 Other Matching Revenue**

Enter the portion of matching revenues reported on Line 54, Subtract Matching Expenses (Equals Line 41), that is from other revenues not included in lines 34 through 39. The state funding agency may require an attached detail listing.

**Line 41 Total Matching Revenue Funds**

Add lines 34 through 40

**Line 42 Other Program Funds**

Enter program income related to the program funded by the state agency but not reported as matching revenue funds on Line 54.

**Line 43 Total Revenue**

Add lines 33, 41, and 42

**RECONCILIATION BETWEEN TOTAL EXPENSES  
AND REIMBURSABLE EXPENSES  
SCHEDULE B - (Lines 51 to 59)**

This section, at the bottom of Schedule B, is for subtracting non-reimbursable amounts included in Total Expenses (Line 25, Schedule A and Line 51, Schedule B).

The first line of this section, Line 51, Total Expenses, is brought forward from the last line of the corresponding Schedule A Total Expense Page.



There are three categories of adjustments for which titled lines are provided:

**Line 52 OTHER UNALLOWABLE EXPENSES:**

Some program expenses may not be reimbursable under certain grants. This is a matter between the contracting parties, and will vary according to the state agency involved and the type of grant or contract. Consult your contract or the department that funds the program for guidelines.

**Line 53 EXCESS ADMINISTRATION:**

This adjustment line may be used to deduct allocated Administration and General expenses in excess of an allowable percentage specified in the grant contract. It may also be used to deduct an adjustment resulting from limitations on certain components of Administration and General expenses. Again, the specific guidelines of the department and grant involved are the controlling factor.

**Line 54 MATCHING EXPENSES (Equals Schedule B, Line 41)**

Since the goal is to arrive at a reimbursable amount, the expenses paid out of other sources of funding, local support and program user fees for example, will have to be deducted. The amount left should be only that which is to be paid for by the contracting state agency.

**Line 55 REIMBURSABLE EXPENSES (Line 51 less Lines 52, 53, and 54)  
(Equals Schedule B, Line 33)**

This is the amount that the contracting state agency will pay for the quarter's operations of the program. The cumulative column is what the grant actually paid to date.

**Line 56 TOTAL REIMBURSEMENT-TO-DATE**

In the quarter-to-date column, this is the total received for this quarter from filing of the Invoice For Reimbursement. The cumulative column's amount is the total received for the grant year-to-date.

**Line 57 DIFFERENCE (Line 55 less Line 56)**

This is the portion of Reimbursable Expenses not yet paid.

**Line 58 ADVANCES**

Any advance payments for a grant should appear on this line.

**Line 59 THIS REIMBURSEMENT (Line 57 less Line 58)**

The remainder should be the amount due under the grant contract. Actual payments are made through the invoicing process and not through the filing of this report.

## **POLICY 3 REPORTING REQUIREMENTS - SUMMARY**

Policy 3 requires reporting the entire operation of the Grantee agency. This could include numerous programs and contracts. Policy 3 requirements are outlined in each contract and are available on line at: <http://www.state.tn.us/finance/act/policyb.html>

The "Contractor/Grantee" is the agency receiving the state grant.

The "Contracting State Agency" is the state agency that gives the grant.

Reports are normally due 30 days after the close of the Grantee's accounting quarter and year, which may/may not coincide with the State accounting quarter and year end. Exact requirements are in the contract.

Policy 3 reporting requires one report from each contracting agency consisting of Schedules A, B, and C and a Funding Information Summary. Schedules A and B detail each program added to a contract total. Schedules A and B are designed to show 2 programs per page and there would be only one Schedule C per grantee. On Schedules A and B, programs that are not state funded can be rolled into a single program category. The lines on Schedule A for year-to-date information add across all programs/contracts to the corresponding line on the Schedule C - Grant contracts in the first column and non-grant operations in the second column.

The third column of the Schedule C shows Administrative Expenses incurred by the Grantee. Administrative expenses are generally those that benefit programs but are not directly associated with the program/contract. These could include the Executive Director, office operation, accounting staff, and other similar expenses. This column will also show the allocation of Administrative Expenses to the various programs/contracts, if this is done by the Grantee. If allocated, a negative on line 22 is equal to the Administrative Expense allocated to the grant and non-grant programs/contracts. Administrative Expenses may include some items that are not subject to allocation so the amount allocated may/may not equal the total Administrative Expense reported. Allocation of Administrative Expenses requires an approved allocation plan.

The fourth column of the Schedule C shows the total operation of the reporting grantee for the year-to-date. The Policy 3 report should, in total, match the total operation of the Grantee.

The funding Information Summary shows the method of allocating Administrative Expenses. If there is no approved allocation plan and the grantee does not allocate Administrative Expenses, then there is no entry on Schedule C, line 22 and no allocation to the programs/contracts. This form must be submitted with every report.

**Tennessee Department of Health  
Funding Information Summary**

AGENCY NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY, STATE, ZIP \_\_\_\_\_

REPORTING PERIOD: (MM/DD/YY) FROM: \_\_\_\_\_ THRU: \_\_\_\_\_

AGENCY FISCAL YEAR END (MM/DD) \_\_\_\_\_

COST ALLOCATION: DOES YOUR ORGANIZATION HAVE AN APPROVED COST ALLOCATION PLAN?  
YES \_\_\_\_\_ NO \_\_\_\_\_

If yes, Name of organization that approved the Plan: \_\_\_\_\_

IF COST ALLOCATION IS APPLIED, INDICATE THE METHOD OF ALLOCATION:

Ratio of direct program salaries to total direct salaries applied to administrative cost. \_\_\_\_\_

Ratio of direct program expenditure to total direct expenditures applied to administrative cost. \_\_\_\_\_

Cost step down. \_\_\_\_\_

Other (describe) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Is your organization: \_\_\_\_\_ A private not-for-profit organization?  
\_\_\_\_\_ A state college or university, or part of a city government?

DIRECTOR \_\_\_\_\_ PHONE # \_\_\_\_\_

PREPARER OF REPORT \_\_\_\_\_ PHONE # \_\_\_\_\_

DATE COMPLETED \_\_\_\_\_

CONTRACTOR/GRANTEE

FEDERAL ID #

CONTRACTING STATE AGENCY

REPORT PERIOD

Program #	Contract Number	Grant Period	Program Name	Service Name
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## Schedule A

Item # EXPENSE BY OBJECT:

1	<b>Salaries and Wages</b>
2	<b>Employee Benefits &amp; Payroll Taxes</b>
3	<b>Total Personnel Expenses (add lines 1 and 2)</b>
4	<b>Professional Fees</b>
5	<b>Supplies</b>
6	<b>Telephone</b>
7	<b>Postage and Shipping</b>
8	<b>Occupancy</b>
9	<b>Equipment Rental and Maintenance</b>
10	<b>Printing and Publications</b>
11	<b>Travel</b>
12	<b>Conferences and Meetings</b>
13	<b>Interest</b>
14	<b>Insurance</b>
15	<b>Grants and Awards</b>
16	<b>Specific Assistance to Individuals</b>
17	<b>Depreciation</b>
18	<b>Other Non-personnel Expenses (detail)</b>

**Total Non-personnel Expenses (add lines 4 - 18)**

### Reimbursable Capital Purchases

TOTAL DIRECT PROGRAM EXPENSES

Administrative Expenses

TOTAL DIRECT AND ADMINISTRATIVE EXPENSES

### In-Kind Expenses

**TOTAL EXPENSES**

QUARTER TO DATE

**YEAR TO DATE**

**QUARTER TO DATE**

**YEAR TO DATE**



